

## Cause Analysis of Budget Deficit in BPJS for Health

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**Abstract—** This study aims to determine the factors causing the budget deficit of the Social Security Administering Body (BPJS) for Health. This research is important to do in order to find out the root cause of the deficit of the Social Security Administering Body (BPJS) and find a solution so that the sustainability of the BPJS can be ascertained. This study focuses on the phenomena that occur in BPJS for Health. The purpose of this study is to examine the root causes of the BPJS budget deficit and the role of the government in overcoming the BPJS health deficit. This type of research is descriptive qualitative. In collecting research data using interview techniques and by using informants as a source of information and Annual reports as the object used. The results of this study indicate that the factors causing the BPJS Health budget deficit are the amount of contributions that are not sufficient to finance service expenditures, especially since the burden of health services for catastrophic diseases is very high and continues to increase. The financial management of BPJS for Health is used entirely for program development as much as possible and for the benefit of the participants. Then there have been many policy options undertaken by the government to overcome the BPJS health budget deficit, namely by increasing contributions. Researchers also see that the low level of public awareness of the importance of health insurance and a wrong understanding of the principles of social insurance as well as providing socialization to the community, especially instilling the principle of mutual cooperation in all Indonesians.

**Keywords:** Deficit, Budget, BPJS for Health.

### 1. INTRODUCTION

Economy and health are two important things inherent in life. Both have a relationship with each other, whether the economy will affect health or health will also affect the economy. Where when someone increases productivity at work, economic growth will also increase. So that these individuals can meet their needs by living a healthy life, consuming healthy food and drinks, regular sleeping hours and others. This can determine the health of a person. Even when a person is sick he can get treatment with the results of his hard work, and vice versa, when health affects individual performance that can boost one's productivity at work. When there is an increase in productivity, food will cause economic growth to increase. With a good economic level someone is able to meet their needs and live in prosperity. Economic development can be interpreted as a process to change a so that welfare and prosperity will be even higher.

The National Health Insurance Program (JKN) which is managed by the Social Security Administering Body (BPJS) is one of the government's efforts to achieve Universal Health Coverage (UHC). This is stated in Law No. 40 of 2004 concerning the National Social

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Security System (SJSN) which guarantees equal rights for everyone to obtain access to safe, quality and affordable health services. These efforts are relevant to the Sustainable Development Goals, including protection of financial risks, access to quality essential health services, and access to safe, effective, quality and affordable essential medicines and vaccines for all.

In Indonesia, the positive impact of the JKN program has been felt directly by the community. JKN has improved the fulfillment of basic health rights for all levels of society, including the poor and underprivileged groups through the Contribution Assistance Recipient (PBI) scheme. JKN can also directly reduce the cost burden borne by the community for accessing health facilities in Indonesia.

However, since the beginning of its implementation, the JKN program has continued to experience deficits. In fact, the deficit is predicted to reach Rp. 28 trillion by the end of 2019. According to BPJS Health, the deficit is caused by the high number of people suffering from chronic diseases so that the cost of health services increases. Furthermore, the high health burden is not matched by an adequate contribution rate.

**Table 1. Amount of Budget Defisit**

Tahun	2014	2015	2016	2017	2018	2019
Defisit anggaran	Rp 3,3 T	Rp 5,7 T	Rp 9,7 T	Rp 9,8 T	Rp10,9 T	Rp 32,8 T

The main cause of the deficit was financing for JKN-KIS Mandiri participants with catastrophic diseases. According to the Managing Director of BPJS for Health, Fachmi Idris, expenditure is greater than contribution income because most of the diseases that are borne are expensive. Nearly 30% of BPJS for Health funds are absorbed for catastrophic diseases that require further treatment and are of high cost. During the last 3 years, 10 (ten) catastrophic diseases (which are generally triggered by smoking and other unhealthy lifestyles) have absorbed around Rp36,9 trillion. For heart disease alone, in 2016 it absorbed around IDR7.4 trillion in costs.

The indications for the JKN deficit come from various factors, including:

1. The burden of health services is increasing, exceeding the source of income
2. Contribution contributions are still low, far below the claims for the guarantees provided. In 2018, the average participant contribution was IDR 394,009 per year, while health insurance claims were IDR 453,232 per year or a difference of IDR 59,223 per participant per year
3. Lack of transparency on the financial management of BPJS for Health
4. The coverage of participation has not been maximized, both from the PBI category, Participants Not Receiving Wages (PBPU), and Participants Receiving Wages (PPU), as well as the lack of compliance of participants in paying contributions, especially in the PBPU category
5. The burden of health funding for catastrophic diseases continues to increase. In September 2018 the burden of catastrophic diseases (heart disease, cancer, stroke, etc.) reached 22 percent of the total health costs or 14,5 trillion rupiah.

## 2. THEORETICAL REVIEW

### 2.1 Budget Deficit

Deficit is a financial condition in an organization or within the scope of the country, where expenditure is greater than income, while in other opinion it is said that a deficit is a state of financial deficiency in cash as a result of expenditure that is greater than income.

## 2.2 State finance

State finances are all rights that can be valued in money, which can be made state property. In accordance with the provisions of Article 1 number 1 of Law Number 17 of 2003 concerning State Finances, which reads: "State finances are all the rights and obligations of the state that can be valued in money, as well as everything, both in the form of money and in the form of goods that can be turned into state property in connection with the implementation of these rights and obligations."

All types of state sources of finance are common sources of finance. These sources of finance can come from property taxes, sales taxes, income taxes, permits, parking and service fees. Other sources of finance are grants from other government units, such as the federal and donations from other parties received by the government.

## 2.3 Social security

Social security is a form of social protection provided to the community, in the form of clothing, food, shelter, health, education, security, and justice for both productive age and the elderly. With the additional explanation that old age benefits will only be given after a person has passed the productive age limit. Meanwhile, security, justice and economic equality which are summarized in clothing, food and shelter are the rights of the community both in productive and non-productive ages.

In a broader view, as has been implemented and implemented by various countries in the world, social security does not only focus on the realization of public welfare. However, social security has metamorphosed into a system, where the system is built according to the identity and conditions of each country. According to Subianto, social security as a system will be able to provide energy for every citizen to build the ideals of his country towards a just, prosperous and prosperous society.

Islam has commissioned the state to provide social security to maintain the standard of living of all individuals in Islamic society. As a rule, the state fulfills this obligation in two forms. First, the state gives individuals ample opportunity to do productive work, so that they can meet their daily needs from their own work and business. However, when an individual is unable to perform productive work and fulfill his needs from his own efforts or when there are special circumstances where the state cannot provide employment opportunities for him, then the second form takes effect. In this case, the second form is that the state applies the principle of social security by providing a sufficient amount of money to finance the needs of these individuals and to improve their standard of living.

## 2.4 Social Security Administering Body (BPJS) for Health

Social Security Administering Body (BPJS) are regulated in Law Number 24 of 2011 concerning Social Security Administering Bodies (here in after the BPJS Law) according to article 1 number 1 BPJS is a legal entity formed for social security programs. The BPJS is divided into two parts, namely BPJS for Health and BPJS Ketenagakerjaan. BPJS for Health is the governing body for social security in health programs. Meanwhile, BPJS Ketenagakerjaan is the organizing agency for the death, old age, and pension insurance programs. This protection is provided in order to protect everyone from risks that arise, such as illness, accidents, death and other risks that have the potential to cause poverty.

Health In Law Number 24 of 2011 concerning Social Security Administering Bodies, the objectives of the BPJS are regulated, namely to ensure the fulfillment of the fulfillment of the basic needs of a decent life. BPJS for Health has the objective of realizing the provision of proper health insurance for every participant and / or family member as a means of fulfilling the basic needs of life for the Indonesian population.

National Health Insurance contributions are regulated in Presidential Regulation No. 82 of 2018. National Health Insurance contributions are divided into PBI and non-PBI contributions. Participants who are registered as contribution assistance recipients (PBI) do

not pay for the payment of National Health Insurance (JKN) contributions personally, but the payment of these contributions is borne by the government using the APBN or APBD budget.

## 2.5 National Health Insurance

This program aims to meet the basic needs of proper public health, either for those who have paid dues independently or paid by the government. JKN provides health services to the community through two health facilities, namely the First Level Health Facility (FKTP) and the Advanced Referral Health Facility (FKRTL).

The National Health Insurance Program (JKN) which is managed by the Health Social Security Administration (BPJS for Health) is one of the government's efforts to achieve Universal Health Coverage (UHC). This is stated in Law No. 40 of 2004 concerning the National Social Security System (SJSN) which guarantees equal rights for everyone to obtain access to safe, quality and affordable health services. These efforts are relevant to the Sustainable Development Goals (SDGs), namely achieving universal health insurance, including financial risk protection, access to quality essential health services, and access to safe, effective, quality and essential medicines and vaccines. affordable for all.

The implementation of the JKN program which began on January 1 2014 has contributed significantly to the reform of the health care and financing system in Indonesia. To get this guarantee, the amount of contributions that must be paid is relatively small. For the poor, dues are paid by the government. For groups of workers, contributions are paid by the employer and the workers themselves. Meanwhile, the informal sector can register independently with a choice of classes according to ability

## 3. RESEARCH METHODS

This study uses a qualitative research method, which is a research method that aims to gain an understanding of reality through an inductive thinking process. Where the main purpose of qualitative research is to understand social phenomena or symptoms by focusing more on a complete picture of the phenomenon being studied.

This research uses descriptive research with a qualitative approach. Qualitative research is generally descriptive in nature and tends to use analysis with an inductive approach and is carried out in a natural setting where the theoretical basis is used as a guide for the focus of research and as material for research discussion.

Collecting data in the form of interview documentation to ask for information or opinions about something. The data analysis method used is descriptive qualitative. The data source used in this research is secondary data. Secondary data used is in the form of the 2017-2019 annual report. The data source is obtained from the official website of the Social Security Administering Body (BPJS).

The data analysis of this research is descriptive qualitative data analysis. Qualitative data analysis is the presentation of data in written form and explaining anything according to the data obtained. The stages taken are:

- a. Collecting data, namely data collected from the Annual Report.
- b. Data analysis was done by tabulation and descriptive. Descriptive analysis is a research method by collecting data in accordance with the actual data then compiled, processed and analyzed in order to provide an overview of the existing problems.
- c. Clarifying the data material, this step is used to select data that can be used as a reference for further research. Clarifying the data material can be done by classifying the data obtained from the results.

- d. Editing, namely conducting a review of the data collected through the techniques used, then conducting research and checking the truth and correcting if there are errors so as to facilitate the process of further research.
- e. Presenting data, namely data that has been described verbally then given explanations and descriptions based on logical thinking and providing arguments and conclusions can be drawn

#### 4. RESULTS AND DISCUSSION

##### a. Factors Causing the Social Security Administering Body (BPJS) Budget Deficit

Several indications of the root causes of the deficit in national health insurance, both internal and external are: Unbalanced income and expenses; Low contribution contributions; Not maximal participation and low discipline of participants; The burden of health financing for catastrophic diseases continues to increase; The following is the description.

- i. Unbalanced income and expenses. The main cause of the deficit is expenditure that is greater than income. The main income of BPJS for Health is participant contributions which cover 99 percent of the total income.
- ii. Contribution of output is still low. The income that comes from participant contributions is not proportional to the amount of funds spent or there is a mismatch to pay for health costs.
- iii. Not Maximum Participation and Still Low Discipline of Participants, UU No. 24 of 2011 regulates the fundraising policy for the JKN program, namely the principle of mutual cooperation with the obligation of all people from all segments to contribute to the JKN program to help the poor and near-poor who need health services. The low BPBU membership is due to the low level of public awareness of the importance of health insurance and a misunderstanding of the principles of social insurance. Community reluctance to join the program due to low knowledge about the program, lack of socialization, and lack of health promotion media. In general, independent participants register to become JKN participants if they are already seriously ill and need a lot of money.
- iv. Health Financing Burden for Catastrophic Diseases Continues to Increase. Diseases that are covered are expensive, almost 30% of BPJS for Health funds are absorbed for catastrophic diseases that require further treatment and are of high cost. Among the catastrophic diseases associated with cigarette consumption are heart disease, stroke and cancer. these three diseases can be associated with cigarette consumption. The cost of smoking-related illnesses has continued to increase since 2014.

**Table 2. Realization of Catastrophic Disease Burden (in million rupiah)**

Jenis penyakit	2014	2015	2016	2018	2019*
Jantung	4.040.777	6.690.228	7.423.001	10.545.486	7.732.781
Kanker	1.537.694	2.289.092	2.295.619	3.406.309	2.715.553
Stroke	741.969	1.064.204	1.274.228	2.565.602	1.938.776
Total	6.320.440	10.043.524	10.992.848	16.517.396	12.387.110
Biaya kesehatam	42.658.701	57.079.390	67.247.884	94.296.844	81.996.530
% biaya	15%	18%	16%	18%	15%



### **b. Financial Management of the Social Security Administering Bodies (BPJS) for Health from the perspective of State finances**

In implementing the JKN capitation fund program, it must be managed effectively and efficiently and implemented in a coordinated and integrated manner by various related parties, both central and regional. And it is hoped that health services can be implemented as well as possible to realize an increase in the overall degree of public health. This is in line with what supports the implementation process so that short-term goals can be realized properly must be supported by governance. Governance encourages professional company management by enhancing the principles of openness, accountability, and the effectiveness of the internal control system.

BPJS is a legal entity established to administer social security programs to guarantee the constitutional rights of everyone to social security which enables their complete development as a useful human being and as the implementation of the state's constitutional duties to develop a social security system for all the people and empower weak and weak communities. incapable of conforming to human dignity.

Fund management is carried out through a mechanism which is a combination of processes and structures, to inform, direct, manage, and monitor organizational activities in order to achieve good organizational governance, where the results of fund management are used entirely for program development and for the greatest interest of the participants. . Management of Social Security Funds (DJS) and BPJS Health assets is regulated in Government Regulation Number 87 of 2013 concerning Management of Health Social Security Assets.

### **3. The Government Overcomes Deficits of the Social Security Administering Body (BPJS)**

The social security administration system must be endeavored in such a way as to meet the basic needs of the community. In this case, BPJS for Health should be able to guarantee all the basic health needs of the community. The JKN-KIS program is expected to provide a sense of well-being to the community, because they don't have to worry about having to pay for expensive health costs. In this context the state exists through the SJSN.

After going through long discussions between the Coordinating Ministry for PMK, the Ministry of Health, the Ministry of Finance and BPJS Health, as well as related parties, it was decided which policies should be carried out by both the Government and BPJS Health which were outlined in four policy mixes.

- i. Increase in Periodic Fees (Status Quo). In this policy, fees have been reviewed twice, namely in 2016 and 2019 with an increase in fees ranging from 20 to 80 percent.
- ii. Cigarette Levies for Health (PRUK) and Two-Wheeled Motorized Vehicle Fees and the Extensification of Excise for Four-Wheeled Motor Vehicles.
- iii. This alternative is calculated for the following reasons: Increase funding sources by charging for products that are harmful to health because the government's fiscal space in financing the JKN program is still low. Reducing the effects of negative externalities so as to encourage a reduction in disease risk and reduce the number of health claims to BPJS. The achievement of UHC in terms of membership will be faster (see Table 45 for the projected coverage of participants for 2014 - 2030).
- iv. Combination of Increase in Contribution and Other Sources of Funding. This policy will be combined with maximizing other income, such as in the PRUK scenario and extensification of motor vehicle excise. The impacts of these alternatives include: Increasing funding sources by charging for products that are harmful to health because the government's fiscal space in financing the JKN program is still low, and Reducing the health costs of participants. Close the remaining deficit of BPJS Health with the remaining budget.

## 5. CONCLUSION

- a. Factors causing the budget deficit of the Social Security Administering Bodies (BPJS) for Health, namely the amount of contributions that are not sufficient to finance service expenditures, especially since the burden of health services for catastrophic diseases is very high and continues to increase. In terms of compliance, independent participants are still not disciplined in paying contributions and many are still in arrears in fees. BPJS for Health is also less than optimal in encouraging compliance in contributing to independent participant groups. Under these conditions, the contribution contributions are still low, thus contributing to the deficit of BPJS for Health.
- b. Management and accountability of the government. Finance BPJS for Health in a view of the perspective of state finance, namely the management of these funds is used entirely for the development of the program as much as possible and for the benefit of the participants. Management of Social Security Funds (DJS) and BPJS Health assets is further regulated in Government Regulation Number 87 of 2013 concerning Management of Health Social Security Assets. Fund management is carried out through a mechanism which is a combination of processes and structures, to inform, direct, manage, and monitor organizational activities in order to achieve good organizational governance, where the results of fund management are used entirely for program development and for the greatest interest of the participants.
- c. Overcoming the deficit of the Healthcare BPJS is carried out carefully and wisely, so as not to burden the community. Participants' contributions should be based on the community's ability to pay, and not based on their illness. The JKN KIS program is indeed insurance, so each participant has to pay a contribution, but this insurance is social insurance, which is clearly different from commercial insurance which is more based on business calculations in determining premiums. BPJS for Health is social insurance, and the state must be present to provide a sense of welfare for the people. Through the supervisory function, the DPR RI needs to continue to oversee the running of the JKN-KIS Program and the performance of the Healthcare BPJS. The DPR RI needs to encourage the Government to continue to evaluate and find the best solution in order to overcome the BPJS Health deficit.

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